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# **MassDOT/MBTA**

## **2019 – 2023 Capital Investment Plan (CIP)**

### **Draft Sources**

### **for the Capital Programs Committee**

**February 2018**

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# MassDOT sources (Preliminary Draft)

| Projected sources (in millions)                       | <u>FY19</u>      | <u>FY20</u>      | <u>FY21</u>      | <u>FY22</u>      | <u>FY23</u>      | <u>Total</u>     |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Federal sources of funds</b>                       |                  |                  |                  |                  |                  |                  |
| Federal Highway (FHWA) reimbursements                 | \$620.6          | \$689.1          | \$821.1          | \$841.3          | \$632.0          | <b>\$3,604.2</b> |
| Federal Transit (FTA) reimbursements**                | \$6.0            | \$6.0            | \$6.0            | \$6.0            | \$6.0            | <b>\$30.1</b>    |
| Federal Aviation (FAA) reimbursements and grant draws | \$27.1           | \$26.5           | \$27.1           | \$25.1           | \$27.5           | <b>\$133.3</b>   |
| Federal Rail (FRA) reimbursements and grant draws     | \$2.0            | \$0.0            | \$0.0            | \$0.0            | \$0.0            | <b>\$2.0</b>     |
| <b>Subtotal federal sources*</b>                      | <b>\$655.6</b>   | <b>\$721.6</b>   | <b>\$854.3</b>   | <b>\$872.5</b>   | <b>\$665.6</b>   | <b>\$3,769.6</b> |
| Bond cap  | \$818.9          | \$800.3          | \$795.4          | \$845.0          | \$827.5          | <b>\$4,087.0</b> |
| Accelerated Bridge bonds                              | \$26.8           | \$13.7           | \$0.0            | \$0.0            | \$0.0            | <b>\$40.4</b>    |
| Rail enhancement bonds                                | \$37.3           | \$34.5           | \$34.9           | \$20.0           | \$20.0           | <b>\$146.7</b>   |
| CARM***   | \$385.8          |                  |                  |                  |                  | <b>\$385.8</b>   |
| Metropolitan Highway system (MHS) pay-go              | \$56.3           | \$54.5           | \$45.5           | \$44.0           | \$41.7           | <b>\$242.0</b>   |
| Western Turnpike (WT) pay-go                          | \$83.5           | \$81.8           | \$80.5           | \$78.4           | \$76.7           | <b>\$401.0</b>   |
| Tobin Bridge (Tobin) pay-go                           | \$29.9           | \$30.2           | \$30.6           | \$30.8           | \$31.0           | <b>\$152.5</b>   |
| Gaming****  | \$0.0            | TBD              | TBD              | TBD              | TBD              | <b>TBD</b>       |
| Municipal and local funds                             | \$1.9            | \$1.8            | \$1.7            | \$1.7            | \$1.7            | <b>\$8.8</b>     |
| Reimbursable and 3 <sup>rd</sup> parties              | \$0.4            | \$0.2            | \$0.1            | \$0.1            | \$0.1            | <b>\$0.7</b>     |
| Public private partnerships                           |                  |                  |                  |                  |                  |                  |
| <b>Subtotal of non-federal sources*</b>               | <b>\$1,440.6</b> | <b>\$1,016.8</b> | <b>\$988.8</b>   | <b>\$1,019.9</b> | <b>\$998.7</b>   | <b>\$5,464.9</b> |
| <b>Total sources*</b>                                 | <b>\$2,096.3</b> | <b>\$1,738.5</b> | <b>\$1,843.1</b> | <b>\$1,892.4</b> | <b>\$1,664.3</b> | <b>\$9,234.5</b> |

\* Totals may not add due to rounding | \*\* FTA reimbursements for MassDOT projects only; RTA federal funds are not included | \*\*\*Assumes minimum balance of \$50 million plus reimbursement of \$100 million in prior eligible spending funded with MHS pay-go funds. | \*\*\*\*Awaiting further guidance.



# About MassDOT Funding sources

| Source                                | Assumptions/Source of Information  |
|---------------------------------------|--|
| <b>FHWA New Obligation Authority</b>  | New Federal OA distributed to MassDOT (by FHWA MA division) per FAST Act and beyond less GANs debt service; FFY 2023 is a 2.72% increase in base OA from FFY 2022 / Planning manages and produces annual STIP and provides FFY OA values; GANs debt service schedule updated based on recent Treasury 2017 debt issuance and future projected debt issuance schedule |
| <b>FHWA Reimbursements</b>            | Federal spending on projects already underway (prior federal obligation authority). Amount will increase as new obligation authority is used /   |
| <b>FAA Discretionary Grants</b>       | Estimate of expected FAA Discretionary Grants for Airport Improvement (AIP funds) and Noise Abatement Project (set asides); subject to FAA approval  |
| <b>Federal Transit Funding</b>        | FTA funding under FAST Act (primarily for RTAs) <ul style="list-style-type: none"> <li>– Section 5310: Mobility Assistance Funds</li> <li>– Section 5339 : Bus and Bus Facilities funds statewide allocation / none for FY 19</li> </ul>   |
| <b>Bond Cap</b>                       | Includes \$200 million/year for Chapter 90 program and pass through bond cap (excludes \$60 million/year for MBTA) / 5 year estimates provided by ANF in January   |
| <b>Accelerated Bridge Program</b>     | Remaining GANs and special obligation bond spending for underway projects  |
| <b>Toll Revenues and Reserves</b>     | Projected annual revenues available for capital (including payroll) for each of the toll facilities plus any existing projected reserves of available as of June 30, 2018 / Current year fiscal year amount tied to operating budget figures provided in operating budget presentation   |
| <b>CA/T Trust and Reserves</b>        | Assumes use of balance in the CA/T Trust, also known as Central Artery Remediation Monies (CARM), on eligible MHS projects; subject to FHWA approval / Balance (a/o 6/30/17)   |
| <b>3<sup>rd</sup> Party /P3 Funds</b> | None forecast; Will be estimated based on P3 opportunities that develop  |
| <b>Gaming Revenues</b>                | Annual gaming revenues devoted to the Transportation Infrastructure and Development Fund from the Springfield & Everett casinos / Awaiting further guidance.   |
| <b>Transit SOBS (REP)</b>             | Highway spending on MBTA projects funded under the Commonwealth Rail Enhancement Program (a dedicated \$2.1B program for reliability, modernization and expansion initiatives primarily at the MBTA)   |

# MBTA funding sources (preliminary draft)

| Projected sources (in millions)                    | Funds on Hand<br>(as of 7/1/18) | FY 2019          | FY 2020          | FY 2021          | FY 2022          | FY 2023          | Total            |
|--|---------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Federal sources of funds</b>                    |                                 |                  |                  |                  |                  |                  |                  |
| Federal Highway (FHWA) reimbursements              | \$25.4                          | \$32.4           | \$28.2           | \$23.8           | \$0.0            | \$0.0            | \$109.9          |
| Federal Transit (FTA) reimbursements (prospective) | \$521.6                         | \$292.7          | \$297.7          | \$297.7          | \$297.7          | \$297.7          | \$2,005.1        |
| Existing FTA reimbursements and grant draws        | \$764.0                         | \$0.0            | \$0.0            | \$0.0            | \$0.0            | \$0.0            | \$764.0          |
| FTA Full funding grant agreement (GLX FFGA)        | \$518.8                         | \$150.0          | \$150.0          | \$100.0          | \$46.1           | \$0.0            | \$965.0          |
| Other federal funds                                | \$11.9                          | \$0.0            | \$0.0            | \$0.0            | \$0.0            | \$0.0            | \$11.9           |
| <b>Subtotal federal sources</b>                    | <b>\$1,841.8</b>                | <b>\$475.1</b>   | <b>\$475.9</b>   | <b>\$421.5</b>   | <b>\$343.8</b>   | <b>\$297.7</b>   | <b>\$3,855.9</b> |
| Bond cap   | \$0.0                           | \$0.2            | \$0.1            | \$0.1            | \$0.0            | \$0.0            | \$0.5            |
| Accelerated Bridge bonds                           | \$0.0                           | \$2.0            | \$1.1            | \$0.6            | \$0.3            | \$0.0            | \$4.0            |
| Rail enhancement bonds                             | \$0.0                           | \$287.6          | \$267.1          | \$265.9          | \$176.8          | \$202.9          | \$1,200.3        |
| Revenue bonds                                      | \$0.0                           | \$250.0          | \$254.0          | \$337.0          | \$432.0          | \$440.0          | \$1,713.0        |
| Positive Train Control (PTC) bonds                 | \$263.5                         | \$0.0            | \$0.0            | \$69.0           | \$83.7           | \$0.0            | \$416.2          |
| Metropolitan Highway system (MHS) pay-go           | \$0.0                           | \$0.7            | \$0.4            | \$0.2            | \$0.1            | \$0.0            | \$1.3            |
| Municipal and local funds (GLX)                    | \$0.0                           | \$0.0            | \$37.4           | \$22.6           | \$15.0           | \$0.0            | \$75.0           |
| Reimbursable and 3 <sup>rd</sup> parties           | \$8.6                           | \$7.7            | \$7.7            | \$7.7            | \$7.7            | \$7.7            | \$47.2           |
| Additional State Assistance*                       | \$140.0                         | \$150.0          | \$150.0          | \$150.0          | \$150.0          | \$150.0          | \$890.0          |
| Capital maintenance fund                           | \$9.5                           | \$0.0            | \$0.0            | \$0.0            | \$0.0            | \$0.0            | \$9.5            |
| <b>Subtotal of non-federal sources</b>             | <b>\$421.6</b>                  | <b>\$698.2</b>   | <b>\$717.8</b>   | <b>\$853.1</b>   | <b>\$865.8</b>   | <b>\$800.6</b>   | <b>\$4,357.0</b> |
| <b>Total Sources</b>                               | <b>\$2,263.4</b>                | <b>\$1,173.3</b> | <b>\$1,193.7</b> | <b>\$1,274.7</b> | <b>\$1,209.6</b> | <b>\$1,098.3</b> | <b>\$8,212.9</b> |

Note: The use of Revenue Bonds in each year of the CIP includes both cash on hand and new issuances. It does not represent the amount of new issuances anticipated each year. \*Includes \$60M in State bond cap each year. | \*\* Totals may not sum due to rounding

# About MBTA Funding sources

| Source  | Assumptions/Source of Information  |
|---|--|
| <b>Federal Highway (FHWA) reimbursements</b>              | <ul style="list-style-type: none"> <li>Reflects CMAQ Flex Funds available for GLX. On-Hand includes \$72.6M available through FY18, less \$47.1M of this expended as of 6/30/18. Future amounts reflect latest GLX estimates.</li> </ul>   |
| <b>Federal Transit (FTA) reimbursements (prospective)</b> | <ul style="list-style-type: none"> <li>Reflects Sec. 5307 Urbanized Area Formula funds, Sec. 5337 State of Good Repair/Fixed Guideway funds, and Sec. 5339 Bus and Bus Facilities Funds. Assumes FAST act levels continue. Federal share only – does not include 20% match from MBTA revenue bonds.</li> </ul> |
| <b>Existing FTA reimbursements and grant draws</b>        | <ul style="list-style-type: none"> <li>The estimated balance of funds available in existing non-GLX FTA grants as of 7/1/18. Only includes federal share. “When used” table will show funds spread across CIP window as funds are drawn down.</li> </ul>   |
| <b>FTA Full funding grant agreement (GLX FFGA)</b>        | <ul style="list-style-type: none"> <li>On-Hand includes \$550M of FFGA funding available through FFY18, less \$31.1M estimated expenditure through 6/30/18. Future amounts reflect year in which additional CIG funds will be appropriated, per GLX FFGA.</li> </ul>   |
| <b>Other federal funds</b>                                | <ul style="list-style-type: none"> <li>Comprised mostly of Transit Security Grant Program funding which is a discretionary appropriation and not assumed in future years.</li> </ul>   |
| <b>Bond cap</b>   | <ul style="list-style-type: none"> <li>Preliminary levels based on FY18-FY22 CIP estimates. Will be updated with revised project cash flows.</li> </ul>  |
| <b>Accelerated Bridge bonds</b>                           | <ul style="list-style-type: none"> <li>Preliminary levels based on FY18-FY22 CIP estimates. Will be updated with revised project cash flows.</li> </ul>  |
| <b>Rail enhancement bonds</b>                             | <ul style="list-style-type: none"> <li>Reflects projected spending for MBTA projects reimbursed by Rail Enhancement Program bonds. Based on 1/9/18 cash flows provided to MassDOT; post FY22 cashflows are included in FY23.</li> </ul>  |
| <b>Revenue bonds</b>                                      | <ul style="list-style-type: none"> <li>Preliminary levels based on estimated need and MBTA revenue bond capacity within CIP window. Does not necessarily reflect the planned amount of new issuances each year. Will be updated.</li> </ul>  |
| <b>Positive Train Control (PTC) bonds</b>                 | <ul style="list-style-type: none"> <li>On-Hand reflects current balance of cash on hand from revenue bonds raised for PTC project. Future years based on project costs estimated in FY18-22 CIP. Will be updated. TIFIA and RRIF financing is available upon completion of project.</li> </ul>                 |
| <b>Metropolitan Highway system (MHS) pay-go</b>           | <ul style="list-style-type: none"> <li>Preliminary levels based on FY18-FY22 CIP estimates. Will be updated with revised project cash flows.</li> </ul>  |
| <b>Municipal and local funds (GLX)</b>                    | <ul style="list-style-type: none"> <li>Reflects GLX contributions from Cities of Cambridge and Somerville. Based on 1/9/18 cash flows provided to MassDOT.</li> </ul>  |
| <b>Reimbursable and 3<sup>rd</sup> parties</b>            | <ul style="list-style-type: none"> <li>Reflects funds received via reimbursable agreements with RIDOT and Amtrak. On-Hand balance is RIDOT only. For Amtrak, annual funding reflects FFY18 PRIIA/BCC payments to MBTA; will be updated</li> </ul>  |
| <b>Additional State Assistance</b>                        | <ul style="list-style-type: none"> <li>Assumes continuation of \$150M of Lockbox deposits per year for Pay-Go capital program (\$90M MBTA, \$60M Bond Cap).</li> </ul>   |
| <b>Capital maintenance fund</b>                           | <ul style="list-style-type: none"> <li>On-Hand based on project budgets less projected spending through 6/30/18. No CMF assumed going forward.</li> </ul>  |